

PUBLIC DISCLOSURE

APRIL 11, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

COMMUNITY CREDIT UNION OF LYNN

1 ANDREW STREET
LYNN, MASSACHUSETTS 01901

DIVISION OF BANKS
1 SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **The Community Credit Union of Lynn** prepared by the Massachusetts Division of Banks, the institution's supervisory agency, as of April 11, 2001.

INSTITUTION'S CRA RATING: This institution is rated “High Satisfactory.”

This rating is based on the credit union's performance under the five performance criteria for small institutions: Loan to Deposit (Share) Ratio; Credit Extended Inside and Outside the Assessment Area; Distribution of Credit among Borrowers of Different Incomes; Geographic Distribution of Loans; and Fair Lending Policies and Practices.

The credit union's average net loan-to-deposit (share) ratio for the eight quarter period reviewed was 81.4% and exceeds the standards for satisfactory performance. During the period examined, the Community Credit Union of Lynn granted 66.0% of its residential loans and 87.7% of a sample of its consumer loans within its assessment area. The credit union was found to meet the standards for satisfactory performance for this category. The credit union demonstrated a good distribution of loans among borrowers and geographies of different income levels, particularly low and moderate-income borrowers. Finally, the credit union did not receive any complaints pertaining to its CRA performance and fair lending policies and practices were reasonable.

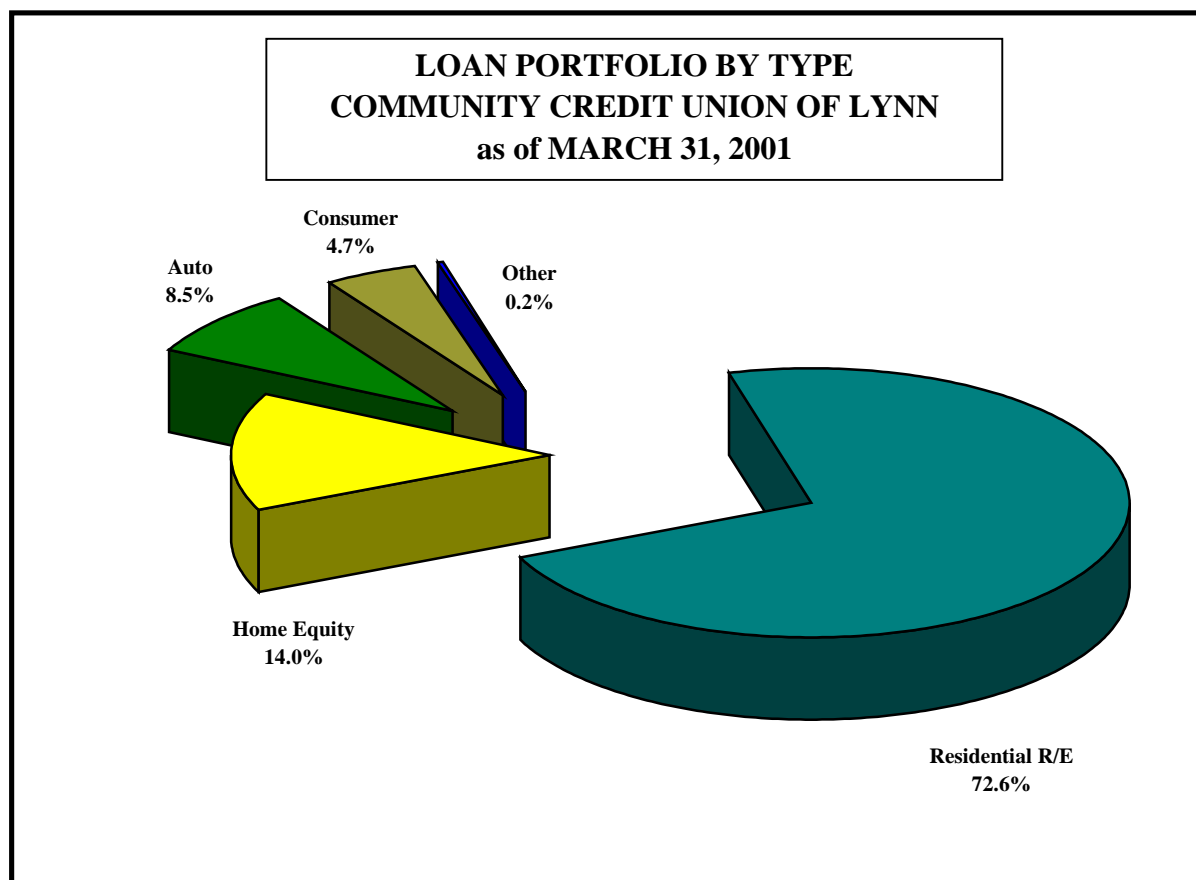
PERFORMANCE CONTEXT

Description of Institution

The Community Credit Union of Lynn is a \$75,893,464.00 mutually owned state-chartered institution headquartered in Lynn, Massachusetts. The credit union, which has only one office, was originally founded in 1955 to serve the Greek community of Lynn. However, in 1969, its charter was changed to extend membership to the surrounding North Shore communities of Essex County.

As of March 31, 2001 the Credit Union had \$41 million in total loans. The loan portfolio represents 54.5% of total assets. The credit union is primarily a real estate lender with 72.6% of its loan portfolio consisting of residential real estate loans. The remaining loan portfolio consists of home equity loans (14.0%), auto loans (8.5%), consumer loans (4.7%), and all other loans (0.2%).

Refer to the following graph for additional information.



Source: March 31, 2001 5300 Call Report

The credit union does not maintain Automated Teller Machines (ATMs), however, it does issue ATM cards and debit cards ("Flex Cards") which are connected to the SUM network.

Banking hours are considered convenient and accessible to the credit unions' members.

The Community Credit Union of Lynn operates in a competitive market. Local competitors include but are not limited to Eastern Bank, Fleet Bank, Citizens Bank, Sovereign Bank, Equitable Cooperative Bank, Brotherhood Credit Union and a number of mortgage companies.

The credit union was last examined for compliance with the Community Reinvestment Act by the Division of Banks on June 8, 1998. That examination resulted in a "Satisfactory" rating.

Description of Assessment Area

The Community Credit Union of Lynn's assessment area is located within the Boston Metropolitan Statistical Area (MSA) and includes the cities and towns of Lynn, Lynnfield, Nahant, Peabody, Revere, Salem, Saugus and Swampscott. The median-family income for the Boston MSA was \$62,700 in 1999, \$65,500 in 2000, and \$70,000 in 2001.

The assessment area is comprised of 57 census tracts. Of these census tracts, 5 or 8.8% are low-income; 22 or 38.6% are moderate-income; 26 or 45.6% are middle-income; and 4 or 7.0% are upper-income.

According to 1990 U.S. Census data, provided by PCI Services CRA WIZ, the assessment area has a population of 263,523. Minority residents represent 10.0 percent of the population. Further, the assessment area consists of 109,714 housing units, of which 75.3% are one to- four family dwellings and 22.4% are multifamily dwellings (five or more units). Of the total housing units within the assessment area, 58,560 or 53.0% are owner-occupied. Of the total number of households in the assessment area, 10.8% live below the poverty level.

The City of Lynn is the largest city in Essex County and is an urban manufacturing and commercial center. Lynn is densely populated and culturally diverse.

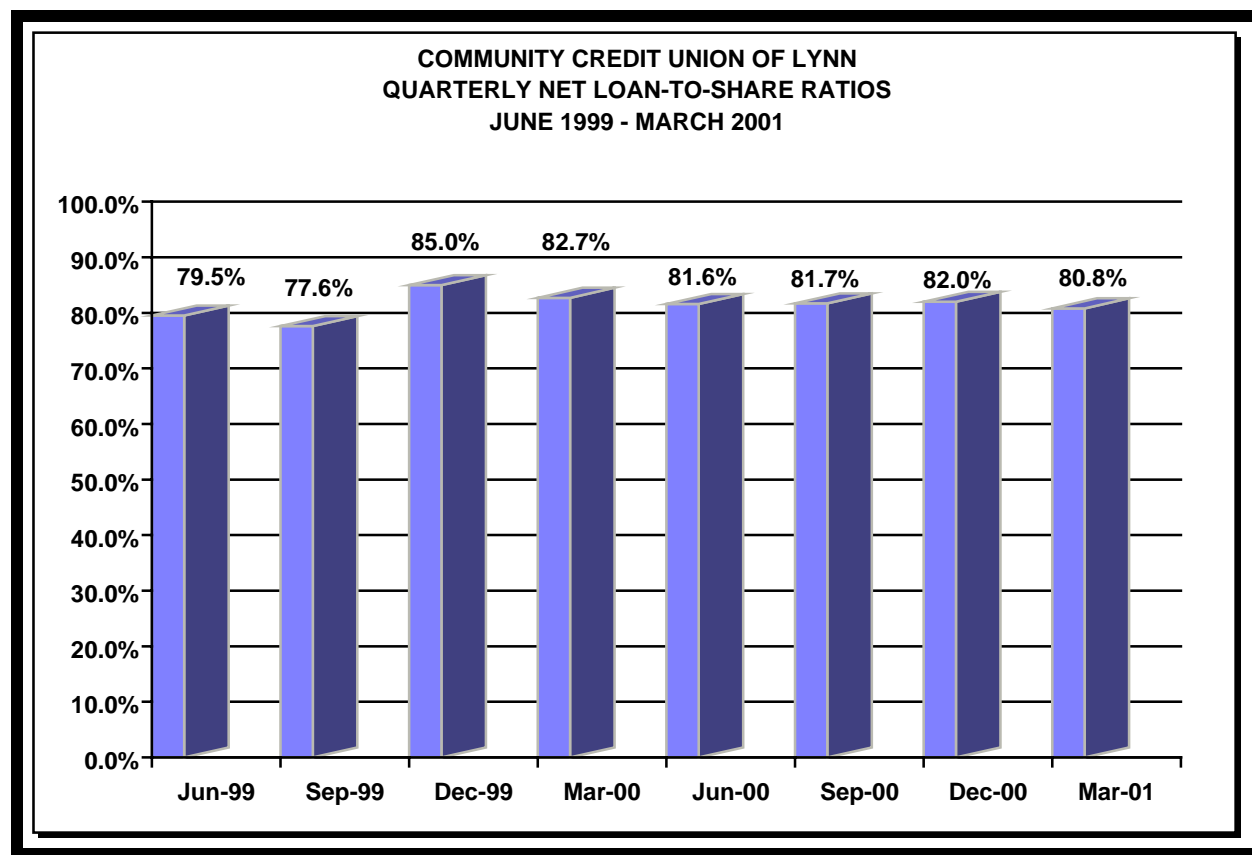
PERFORMANCE CRITERIA

1. LOAN TO SHARE ANALYSIS

An analysis of the credit union's net loan-to-deposit (share) ratio was conducted during the examination. The calculation incorporated eight quarterly periods of the credit union's net loan to total share figures utilizing the NCUA 5300 call reports. This review included the quarters ending June 30, 1999 through March 30, 2001.

The institution's average net loan-to-deposit (LTD) ratio during this period was 81.4%. The average net loan-to-share ratio is excellent given the credit union's asset size, sole location and the competitive environment in which it operates.

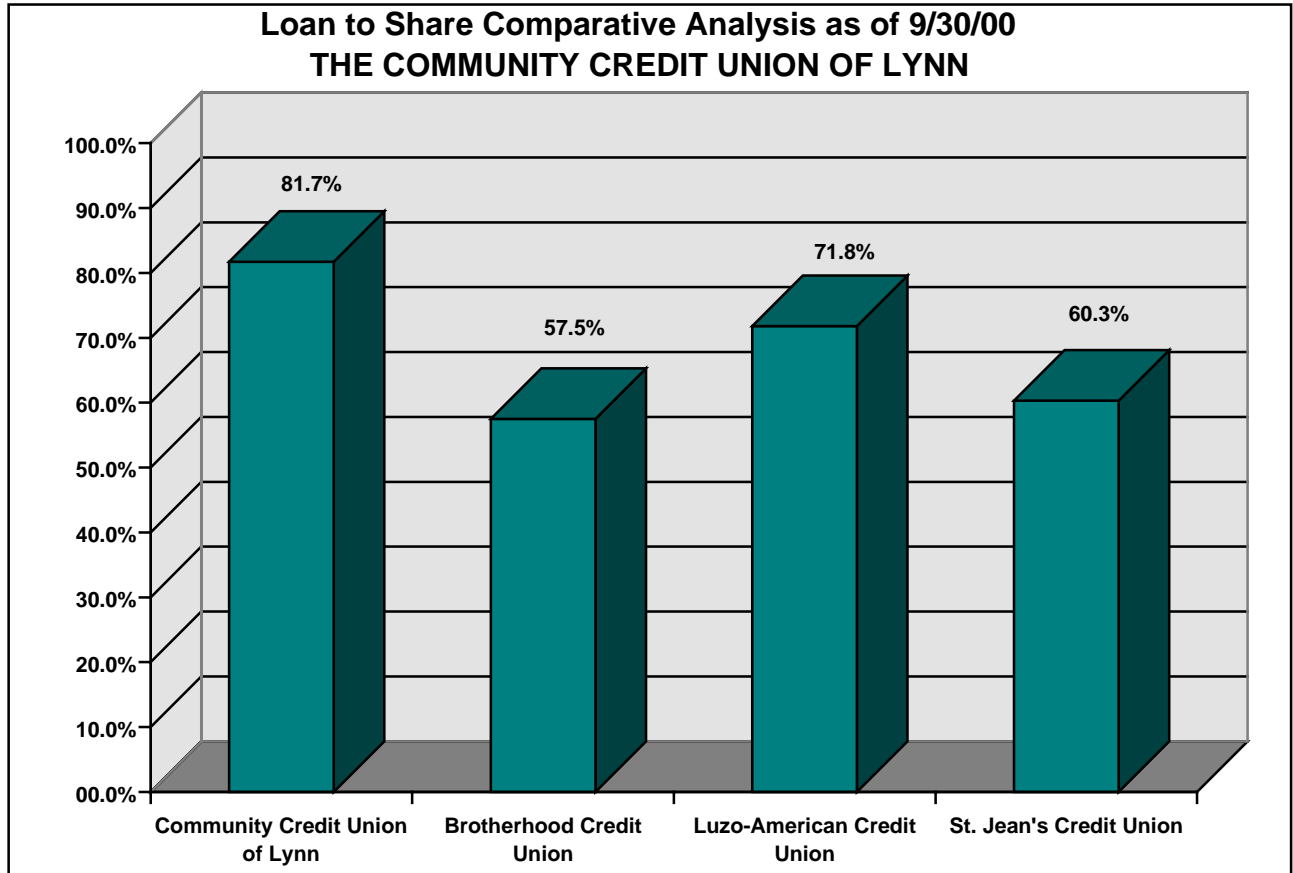
The following graph illustrates the loan to share trends.



Source: Quarterly NCUA 5300 Call Reports

As depicted above, Community Credit Union of Lynn's loan to deposit (share) ratio has remained relatively stable over the last four quarters from June 2000 through March 2001. A peak in the loan to deposit ratio occurred in December 1999 when the ratio reached 85.0%.

The credit union's loan to share ratio was also compared to the loan to share ratios of similarly situated credit unions in the assessment area. The following graph illustrates loan to share ratios for these institutions as of September 30, 2000.



As indicated above, the Community Credit Union of Lynn demonstrates a higher loan to share ratio the other institutions.

Based on the capacity of the credit union to lend as well as demographic and economic factors and lending opportunities available in the assessment area, the Community Credit Union of Lynn's loan-to-share ratio exceeds the standards for satisfactory performance.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA.

This performance criterion evaluates the credit union's record of lending within its assessment area. Both residential and consumer loan data were analyzed to determine overall performance. The following details the credit union's performance.

RESIDENTIAL LENDING

Loan data analyzed included the credit union's Home Mortgage Disclosure Act-Loan Application Registers (HMDA-LAR) for 1999, 2000 and Y-T-D 2001. HMDA reportable loans include all home purchase mortgages, refinances of home purchase mortgages, and home improvement loans.

The credit union originated 238 HMDA reportable loans during the current examination period. A total of 157 loans or 66.0% were originated within the credit union's assessment area.

Table 1a details the credit union's distribution of residential loans (by number and dollars of loans granted) inside and outside of the assessment area for 1999, 2000 and Y-T-D 2001.

<i>Residential Real Estate Loans Originated by Number and Dollar Amount</i>												
Location	1999				2000				Y-T-D 2001			
	#	%	\$(000)	%	#	%	\$(000)	%	#	%	\$(000)	%
Lynn	48	42.9	4,884	37.7	43	48.9	3,932	42.5	19	50.0	2,670	49.5
Lynnfield	2	1.7	208	1.6	1	1.1	240	2.5	0	0.0	0	0.0
Nahant	2	1.7	315	2.4	1	1.1	350	3.8	1	2.6	187	3.5
Peabody	7	6.3	721	5.6	12	13.6	1,655	18.0	2	5.3	90	1.7
Revere	1	0.9	59	0.5	1	1.1	15	0.2	0	0.0	0	0.0
Salem	5	4.5	615	4.7	1	1.1	42	0.4	1	2.6	40	0.7
Saugus	4	3.6	438	3.4	3	3.4	327	3.5	0	0.0	0	0.0
Swampscott	1	0.9	193	1.5	2	2.4	261	2.8	0	0.0	0	0.0
Total Inside	70	62.5	7,433	57.4	64	72.7	6,822	73.7	23	60.5	2,987	55.4
Outside	42	37.5	5,512	42.6	24	27.3	2,434	26.3	15	39.5	2,404	44.6
Total	112	100	12,945	100	88	100	9,256	100	38	100	5,391	100

Table 1-a: HMDA/LAR 1999, 2000 and year-to-date April 11, 2001

Table 1b provides a summary of the credit union's residential loan distribution (by number and dollars of loans granted) inside and outside of the assessment area for the entire current exam period. The largest number of residential originations (46.2%) was located within the City of Lynn, followed by Peabody with 8.8% and Salem and Saugus, both with 2.9%.

Location	<i>Total Residential Originations for Entire Examination Period Inside/Outside the Assessment Area</i>			
	#	%	\$ (000)	%
Lynn	110	46.2	11,486	41.6
Peabody	21	8.8	2,466	8.9
Saugus	7	2.9	765	2.8
Salem	7	2.9	697	2.5
Nahant	4	1.8	852	3.1
Lynnfield	3	1.3	448	1.6
Swampscot	3	1.3	454	1.6
Revere	2	0.8	74	0.4
Total Inside	157	66.0	17,242	62.5
Outside	81	34.0	10,350	37.5
Total	238	100	27,592	100%

Table 1-b: Source HMDA/LAR 1999, 2000 and year-to-date April 11, 2001

CONSUMER LENDING

The credit union extended 635 consumer loans in 1999; 595 consumer loans in 2000; and 151 consumer loans through March 2001. The originations include personal and automobile loans. A sample of 65 consumer loans was taken in order to determine the distribution of credit inside and outside of the assessment area. All of the consumer loans sampled were extended to borrowers residing in the Boston Metropolitan Statistical Area (MSA).

According to the analysis, a total of 54 loans or 83.1% of the sample reviewed were originated within the credit union's assessment area.

Table 2a details the sample of the credit union's consumer loan distribution (by number and dollars of loans granted) within the assessment area for 1999, 2000 and Y-T-D 2001.

Sample Of Consumer Loans Originated By Number And Dollar Amount												
Location	1999				2000				Y-T-D 2001			
	#	%	\$(000)	%	#	%	\$(000)	%	#	%	\$(000)	%
Lynn	12	48.0	180	54.4	15	60.0	74	40.4	10	66.7	53	67.9
Lynnfield	1	4.0	24	7.2	0	0.0	0	0.0	0	0.0	0	0.0
Nahant	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Peabody	4	16.0	40	12.1	1	4.0	29	15.8	0	0.0	0	0.0
Revere	2	8.0	25	7.5	0	0.0	0	0.0	1	6.7	3	3.8
Salem	1	4.0	20	6.1	2	8.0	12	6.6	1	6.7	1	1.3
Saugus	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Swampscott	3	12.0	32	9.7	0	0.0	0	0.0	1	6.7	3	3.8
Total Inside	23	92.0	321	97.0	18	72	115	62.8	13	86.7	60	76.8
Outside	2	8.0	10	3.0	7	28	68	37.2	2	13.3	18	23.2
Total	25	100	331	100	25	100	183	100	15	100	78	100

Table 2-a: In-house loan files for 1999, 2000 and year-to-date March 31, 2001

Table 2b provides a summary of the credit union's consumer loan distribution (by number and dollars of loans granted) within the assessment area for the entire current exam period. The majority of consumer loans sampled were located within the City of Lynn with 57%, followed by Peabody with 7.7% and Salem and Swampscott, both with 6.1%.

Location	Total Consumer Originations Inside/Outside the Assessment Area for Entire Examination Period			
	#	%	\$ (000)	%
Lynn	37	57.0	307	51.9
Peabody	5	7.7	69	11.7
Salem	4	6.1	33	5.6
Swampscot	4	6.1	35	5.9
Revere	3	4.7	28	4.7
Lynnfield	1	1.5	24	4.0
Saugus	0	0.0	0	0.0
Nahant	0	0.0	0	0.0
Total Inside	54	83.1	496	83.8
Outside	11	16.9	96	16.2
Total	65	100	592	100

Table 2-b: Source HMDA/LAR 1999, 2000 and year-to-date March 31, 2001

Based on the above information, the credit union has originated the majority of its loans inside the assessment area. Therefore, the institution's level of lending within its assessment area meets the standards for satisfactory performance.

3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF DIFFERENT INCOME LEVELS

An analysis of residential and consumer loans extended within the credit union's assessment area, among borrowers of different income levels was conducted. Originations were categorized by the ratio of the applicant's reported incomes to the 1999, 2000 and 2001 estimated median family income of the Boston Metropolitan Statistical Areas (MSA). The median family income for the Boston MSA was \$62,700 in 1999, \$65,500 in 2000, and \$70,000 in 2001. Income figures were based on estimated data from the Department of Housing and Urban Development (HUD).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate income is defined as income between 50 to 79 percent of the median family income. Middle income is defined as income between 80 and 119 percent of the median family income. Upper income is defined as income greater than 120 percent of the median family income.

RESIDENTIAL LENDING

According to the analysis, the credit union extended 7.6% of the number of its residential loans to low-income borrowers and 21.0% to moderate-income individuals. Refer to the following tables.

Residential Real Estate Loans Originated By Borrower Income by Number and Dollar Amount												
Income Level	1999				2000				Y-T-D 2001			
	#	%	\$(000)	%	#	%	\$(000)	%	#	%	\$(000)	%
Less than 50%	9	12.9	676	9.2	3	4.7	317	4.7	0	0.0	0	0.0
50% - 79%	11	15.7	1,059	14.2	16	25.0	1,356	19.9	6	26.1	892	30.0
80%-119%	25	35.7	2,849	38.3	18	28.1	2,112	30.9	10	43.5	1,320	44.1
120% and over	24	34.3	2,791	37.5	27	42.2	3,037	44.5	6	26.1	750	25.1
N/A	1	1.4	58	0.8	0	0.0	0	0.0	1	4.3	25	0.8
TOTAL	70	100	7,433	100	64	100	6,822	100	23	100	2,987	100

Table 3-a: HMDA/LAR 1999, 2000 and year-to-date April 11, 2001

Income Level	Total Residential Originations by Borrower Income for Entire Examination Period			
	#	%	\$ (000)	%
Less than 50%	12	7.6	993	5.8
50% - 79%	33	21.0	3,307	19.2
80%-119%	53	33.8	6,281	36.4
120% and over	57	36.3	6,578	38.1
N/A	2	1.3	83	0.5
TOTAL	157	100%	17,242	100%

Table 3-b: Source HMDA/LAR 1999, 2000 and year-to-date April 11, 2001

The Community Credit Union of Lynn's distribution of HMDA-reportable loans among borrowers of different income levels was compared to that of other financial institutions granting loans within the assessment area during 1999 (the most recent information available). The table below indicates that the Community Credit Union of Lynn's performance was comparable to the aggregate. Aggregate HMDA lenders within the credit union's assessment area granted 29.6% of their loans to low and moderate-income individuals compared to the credit union with 28.6%. However, the credit union's percentage of loans to low-income individuals exceeds the aggregate (12.9% for the credit union versus 7.9% for the aggregate). Refer to the following table.

THE COMMUNITY CREDIT UNION OF LYNN COMPARED TO ALL OTHER HMDA-REPORTING LENDERS

Income Level	Number of Loans				Dollars in Loans (000's)			
	The Community Credit Union of Lynn		All Other Reporters		The Community Credit Union of Lynn		All Other Reporters	
	#	%	#	%	\$	%	\$	%
Low	9	12.9	995	7.9	676	9.2	85,190	5.3
Moderate	11	15.7	2,736	21.7	1,059	14.2	290,294	17.9
Middle	25	35.7	3,442	27.4	2,849	38.3	424,342	26.3
Upper	24	34.3	3,041	24.2	2,791	37.5	484,747	30.0
N/A	1	1.4	2,368	18.8	58	0.8	332,867	20.5
Total	70	100%	12,582	100%	7,433	100%	1,617,440	100%

Source: 1999 Aggregate HMDA Data compiled by PCI Services, Inc. CRA Wiz

CONSUMER LENDING

The analysis of the sample of consumer loans indicated that 45 loans representing 83.3 of the number of loans percent were granted to low and moderate-income individuals. By dollar amount 68.9 percent went to low and moderate-income borrowers. Refer to the following tables.

Consumer Loans Originated By Borrower Income by Number and Dollar Amount												
Income Level	1999				2000				Y-T-D 2001			
	#	%	\$(000)	%	#	%	\$(000)	%	#	%	\$(000)	%
Less than 50%	7	30.5	63	19.6	7	38.9	28	24.4	4	30.8	15	25.0
50% - 79%	9	39.1	119	37.1	9	50.0	72	62.6	9	69.2	45	75.0
80%-119%	3	13.0	43	13.4	2	11.1	15	13.0	0	0	0	0.0
120% and over	4	17.4	96	29.9	0	0.0	0	0.0	0	0.0	0	0.0
TOTAL	23	100	321	100	18	100	115	100	13	100	60	100

Table 4-a: In-house files for 1999, 2000 and year-to-date March 31, 2001

Income Level	Total Consumer Loan Originations by Borrower Income for Entire Examination Period			
	#	%	\$ (000)	%
Less than 50%	18	33.3	106	21.4
50% - 79%	27	50.0	236	47.5
80%-119%	5	9.3	58	11.7
120% and over	4	7.4	96	19.4
TOTAL	54	100	496	100

Table 4-b: Source In-house files for 1999, 2000 and year-to-date March 31, 2001

It should be noted that consumer loans typically consider the income of only one borrower. Therefore, the percentage of loans to low and moderate income borrowers is higher than that of residential mortgage originations since the applicant income is compared to median family income. This has the effect of somewhat skewing the proportion of borrowers within the low and moderate-income categories. Nevertheless, the above activity demonstrates the credit union's willingness to lend to borrowers of all income levels.

The distribution of the credit union's residential mortgage and consumer loan originations based on borrower income is favorable. The percentage of consumer loans originated to low-income members and moderate-income members at 83.3% is significant. The 7.6 % and 21.0% of residential loans to low and moderate-income borrowers are also an indication that the credit union has made an effort to meet the credit needs of its assessment area. Thus, the distribution of credit among borrowers of different income levels exceeds the standards for satisfactory performance

4. GEOGRAPHIC DISTRIBUTION OF LOANS

The credit union's residential lending activity was reviewed to determine the distribution of loans among census tracts of different income levels in the assessment area.

As mentioned previously, the credit union's assessment area contains 57 census tracts of which 5 or 8.8% are low-income; 22 or 38.6% are moderate-income; 26 or 45.6% are middle-income and 4 or 7.0% are upper-income.

According to the analysis, middle-income census tracts accounted for the largest percentage of originations with 58.0%. Low and moderate-income census tracts accounted for 36.9% of the credit union's originations. Refer to the following tables for further information.

DISTRIBUTION OF HMDA LOANS BY CENSUS TRACT BY NUMBER

<i>Residential Real Estate Loans Originated by Census Tract by Number and Dollar Amount</i>												
CENSUS TRACT INCOME	1999				2000				Y-T-D 2001			
	#	%	\$(000)	%	#	%	\$(000)	%	#	%	\$(000)	%
LOW	3	4.3	395	5.3	2	3.1	317	4.6	1	4.4	120	4.0
MODERATE	19	27.1	1,669	22.4	25	39.1	1,356	19.9	8	34.8	958	32.1
MIDDLE	44	62.9	4,846	65.2	34	53.1	2,112	31.0	13	56.5	1,722	57.6
UPPER	4	5.7	523	7.1	3	4.7	3,037	44.5	1	4.3	187	6.3
N/A	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TOTAL	70	100	7,433	100	64	100	6,822	100	23	100	2,987	100

Table 5-a: HMDA/LAR 1999, 2000 and year-to-date April 11, 2001

CENSUS TRACT INCOME	<i>Total Residential Originations By Census Tract For Entire Examination Period</i>			
	#	%	\$ (000)	%
LOW	6	3.8	832	4.9
MODERATE	52	33.1	3,983	23.1
MIDDLE	91	58.0	8,680	50.3
UPPER	8	5.1	3,747	21.7
TOTAL	157	100	17,242	100

Table 5-b: Source HMDA/LAR 1999, 2000 and year-to-date April 11, 2001

The credit union's performance was compared to that of other financial institutions granting loans within the assessment area during 1999 (the most recent information available). This comparison indicates that the Community Credit Union of Lynn's performance was slightly lower than the aggregate. Aggregate lenders granted 33.0% of their loans to low and moderate-income census tracts compared to the credit union with 31.4%. However, the credit union's percentage of loans to low-income census tracts (4.3%) is slightly above the aggregate (3.2%). Refer to the following table.

COMMUNITY CREDIT UNION OF LYNN COMPARED AGGREGATE LENDERS

Census Tract Income Level	Number of Loans				Dollars in Loans (000's)			
	The Community Credit Union of Lynn		All Other Reporters		The Community Credit Union of Lynn		All Other Reporters	
Low	3	4.3	391	3.2	395	5.3	54,617	3.4
Moderate	19	27.1	3,754	29.8	1,669	22.4	413,780	25.6
Middle	44	62.9	7,227	57.4	4,846	65.2	907,842	56.1
Upper	4	5.7	1,210	9.6	523	7.1	241,201	14.9
Total	70	100	12,582	100	7,433	100	1,617,440	100

Source: 1999 Aggregate HMDA Data compiled by PCI Services, Inc. CRA Wiz

Since the credit union does not, nor is it required to, collect or maintain census tract data on its consumer lending, no analysis was performed.

The geographic dispersion of loans within the credit union's assessment area is good given the credit union's size and the competitive market in which it operates. Therefore, the credit union exceeds the standards of satisfactory performance in generating loans from all segments of its assessment area.

5. REVIEW OF COMPLAINTS/FAIR LENDING

The Community Credit Union of Lynn has not received any complaints related to its CRA performance since the previous examination. However, the credit union has procedures in place should any consumer complaints related to CRA be received.

FAIR LENDING POLICIES AND PRACTICES

The Community Credit Union of Lynn has adopted a Fair Lending policy that adheres to the guidelines established by the Division of Banks Regulatory Bulletin 2.3-101. The policy was last reviewed and approved by the credit union's Board of Directors in December 2000.

STAFF TRAINING

The President/CEO, along with the Compliance Officer, keep informed of the various regulations and laws. The credit union has a continuing education program whereby employees involved in residential real estate lending attend training seminars on a regular basis.

STAFF COMPOSITION AND COMPENSATION

The credit union's staff consists of 14 employees, two of who are minorities. There are several employees who are fluent in Greek, Spanish, Albanian or Italian. Loan personnel are paid on a salary basis, and are therefore encouraged to make loans of all dollar amounts.

OUTREACH

Directors and staff of the credit union are active participants in community organizations within the credit union's assessment area. The officers of the credit union have established working relationships with city officials and several community organizations within the Lynn community. The Senior Loan Officer is Treasurer of "Gregg House", the largest day care provider in the City of Lynn. He also developed a School/Banking program where the Massachusetts "Savings Makes Sense" program is presented to local elementary schools. He is Treasurer of the Lynn Housing and Management Enterprises where he helped acquire and find financing for affordable housing and acts as the Treasurer of the Clark Street Neighborhood Association. Additionally, a management officer served on the Board of Directors for the Community Minority Cultural Center.

CREDIT PRODUCTS AND UNDERWRITING STANDARDS

The credit union offers a variety of loan products including first mortgages, second mortgages, construction loans, home equity lines of credit, home improvement loans, auto loans, personal loans, open end loans, passbook loans - share secured, visa credit cards and other non-real estate loans in response to member demand. Credit products are reviewed on an ongoing basis as deemed necessary by the President and Senior Vice President.

MARKETING

The credit union utilizes various advertising and promotional activities to inform all segments of the assessment area about products and services offered by the credit union. Management advertises on a regular basis in The Daily Evening Item, a leading local newspaper; The Salem Evening News; El Mundo, a local Hispanic newspaper; Caliente, a Spanish language radio program; The Greek Radio Program and Grecian Echoes.

CREDIT EDUCATION

Since the last examination, the credit union has conducted and participated with several organizations in offering credit education to loan applicants. The credit union hosted "Family Money Matters Seminar". Speakers included an Attorney, a CPA, an Insurance Representative, the Lynn Community Development Department and credit union officers. This seminar was a comprehensive financial seminar with a primary emphasis on lending. In addition, the Senior Lending Officer taught the City of Lynn First-Time Homebuyer

Seminar. The credit union management frequently offers assistance by providing advice to members who are new to the home buying process.

COUNSELING

The Community Credit Union of Lynn counsels loan applicants who require such services and when appropriate refers the applicants to credit counseling agencies.

SECOND REVIEW PRACTICES

All potential credit denials must undergo a review by a second Loan Officer prior to denial. In rare instances, the loan request is presented to the Security Committee for final action.

INTERNAL CONTROL PROCEDURES

The CRA Officer performs a monthly review of the HMDA-LAR and withdrawn loan applications. The CRA Officer presents a formal HMDA analysis to the Board of Directors on an annual basis.

MINORITY APPLICATION FLOW

The credit union's minority population represents 10.0% of the total population in the assessment area. The application flow reveals that of 182 credit applications received by the institution, 17 applications, representing 9.3%, were submitted by minority individuals. According to CRA Wiz aggregate data, all HMDA lenders in the assessment area received 9.6% of their applications from minorities. Based upon this data, the credit union has shown a satisfactory effort in addressing the credit needs of its minority members

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

COMMUNITY CREDIT UNION OF LYNN

For compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **APRIL 11, 2001**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each Assessment Area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.